

GAVILAN DAKOTA
ECONOMICS DATA

Initial Gas Price \$4.00/mscf
Initial Oil Price \$29.00/stb
Price and Cost Escalation 7 %/year after 1/87
Operating cost
 Dakota well \$500/well month
 Dual Gallup/Dakota \$1100/well month
Working Interest 100 %
Revenue Interest 85 %
WPT Category New Oil
Completed Well Cost
 Dakota well \$618,000
 Dual Gallup/Dakota \$738,000

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>8286</u>	Exhibit No. <u>16</u>
Submitted by <u>Mesa Grande</u>	
Hearing Date <u>9-20-84</u>	

AUTHORITY FOR EXPENDITURE
DAKOTA COMPLETION

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WELL NAME: _____ OPERATOR: _____
LOCATION: _____ DEPTH: _____
Rio Arriba County, New Mexico DATED: _____

Drill/Test Complete/Equip. Note:

INTANGIBLE COSTS:

Title Opinion	\$ 3,500	\$ 3,000	
Survey Location	1,000		
Build Roads & Pad	5,210	1,480	
Water Purchase	2,500	4,745	
Mud & Chemicals	40,000		
Mud Logger	6,860		
Trucking & Hauling	1,500	910	
Cement Casing - Surface	3,000		
Cement Casing - Prod.		37,825	
Equipment Rentals	---0---	13,700	
Drilling	142,000		
Electric Logs	18,725		
Welding	350		
Cement Bond Logs		3,675	
Complete Workover Rig		40,360	
Wireline Services		3,815	
Geological Services	1,645		
Engineering Services	1,130	5,570	
Labor - Connect Tanks/Sep.		6,500	
Labor - General	---0---	4,225	
Location Restoration		2,500	
Surface Damages	5,000		
Initial Well Testing		975	
Other Prof. Services	4,500	1,460	
Acid Treatment		5,070	
Frac Treatment		62,020	
Travel & Supervision	800	550	
Subtotal:	237,720	198,380	
(Contingencies -10%)	23,770	19,840	
Plug & Abandonment	10,000		
Total Intangible:	\$271,490	\$218,220	

TANGIBLE COSTS:

Casing - Surface	\$ 1,905	\$	
Casing - Production		63,370	
Casing - Equipment	1,950		
Christmas Tree		1,340	
Tubing		22,990	
Packer		4,475	
Valves & Fittings		9,750	
Tanks - Storage		6,600	
Tank Connections		3,000	
Line Pipe & Labor		3,000	
Separator-Heat-Treat.		10,000	
Water Tank		---0---	
Gates/Cattle Guards		---0---	
Pumping Unit		---0---	
Sucker Rod String		---0---	
Pumping Connections		---0---	
Total Tangible:	3,855	124,525	
Combined Total:	\$275,345	\$342,745	

Total Estimated Well Cost: \$618,090

PREPARED BY: _____ TITLE: _____
APPROVED (COMPANY): _____ BY: _____
DATE: _____

THIS A.F.E. IS ONLY AN ESTIMATE. BY RETURNING ONE SIGNED COPY, YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

WELL NAME: <u>Gavilan #2</u>	OPERATOR: <u>E. Alex Phillips</u>
LOCATION: <u>S/2, Section 26-25N-2W</u>	DEPTH: <u>8200'</u>
<u>Rio Arriba County, New Mexico</u>	DATED: <u>September 10, 1984</u>

AUTHORITY FOR EXPENDITURE
GALLUP/DAKOTA DUAL COMPLETION

	Drill/Test	Complete/Equip.	Note:
<u>INTANGIBLE COSTS:</u>			
Title Opinion	\$ 3,500	\$ 3,000	
Survey Location	1,140		
Build Roads & Pad	5,210	1,480	
Water Purchase	(2,500) #	4,745	# - These amounts were a part of a Turnkey Drilling Contract.
Mud & Chemicals	(40,000) #		
Mud Logger	6,860		
Trucking & Hauling (1)		910	
Cement Casing - Surface	2,395		
Cement Casing - Prod.		37,825	(1) - The majority are included within other figures.
Equipment Rentals	---0----	21,090	
Drilling	142,000		
Electric Logs	20,805		
Welding	350		
Cement Bond Logs		4,350	
Complete Workover Rig		40,360	
Wireline Services		8,670	
Geological Services	2,195		
Engineering Services	1,130	7,560	
Labor - Connect Tanks/Sep.		10,000*	
Labor - General	---0----	6,500*	
Location Restoration		2,500*	
Surface Damages	2,680		
Initial Well Testing		1,500*	
Other Prof. Services	4,500	2,250	
Acid Treatment		9,475	
Frac Treatment		104,265	
Travel & Supervision	800	550	
(Contingencies -20%)	NA	NA	
Plug & Abandonment	---0----		
Total Intangible:	\$193,565	\$267,030	
<u>TANGIBLE COSTS:</u>			
Casing - Surface	\$ 3,270	\$	
Casing - Production		89,625	
Casing - Equipment	3,005		
Christmas Tree		2,045	
Tubing		52,125	
Packer		4,475	
Valves & Fittings		15,000*	
Tanks - Storage		13,200*	
Tank Connections		6,000*	
Line Pipe & Labor		6,000*	
Separator-Heat-Treat.		20,000*	
Water Tank		---0----	
Gates/Cattle Guards		---0----	
Pumping Unit		52,500*	
Sucker Rod String		7,500*	
Pumping Connections		2,500*	
Total Tangible:	6,275	270,970	
Combined Total:	\$199,840	\$538,000	

Total Estimated Well Cost: \$737,840

* - These figures include estimates for services not yet rendered or equipment not yet purchased but will be required. All other figures are the actual cost (to nearest \$5.00).